



INFLUENCE OF FINANCIAL LITERACY ON INVESTMENT DECISIONS OF FEMALE EMPLOYEES

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Abstract:

The present research examines how financial literacy affects investment decisions made by female workers. The acquisition of financial literacy is of utmost importance in enabling individuals to make well-informed decisions regarding their financial matters and investments. Notably, there exists a substantial disparity in financial literacy between genders, with females frequently exhibiting lower levels of proficiency in this domain compared to males. With a specific emphasis on female workers, the goal of this study is to look into the relationship between financial literacy and investing decisions. The research employs a quantitative methodology and acquires data via surveys and interviews from a cohort of female workers employed in diverse sectors. The findings of the current study will contribute significantly to the body of information on financial literacy and shed light on the factors that influence female staff members' investing decisions.

Keywords: financial literacy, investment decisions, female employees, financial education, financial knowledge.

Introduction:

Proficiency in making prudent investment choices is a crucial aptitude for individuals who aspire to attain financial stability and autonomy. In contemporary times, there has been an increasing inclination towards comprehending the determinants that impact investment choices, especially across diverse demographic cohorts. A particular demographic that has received notable scrutiny is the female workforce, who frequently encounter distinct obstacles and limitations when



making financial decisions. Although financial literacy and investment decisions have been extensively studied, there has been a limited focus on female employees in the existing literature. Budgeting, saving, investing, and debt management are just a few examples of the various financial concepts that someone with financial literacy should be able to understand and be aware of. The concept involves the aptitude to comprehend financial data, make well-informed decisions, and effectively navigate the intricacies of the financial realm. Empirical research has repeatedly shown that people with high levels of financial literacy are more likely to make wise financial decisions, including investing decisions. There is a gender gap in financial literacy, with women typically demonstrating lower levels of financial savvy than men, according to study. Understanding how financial literacy affects female employees' investing decisions is crucial for a variety of reasons. Primarily, female employees encounter distinct obstacles in their professional lives, including but not limited to the wage disparity between genders, career breaks, and extended lifespan, thereby requiring proficient financial management and investment tactics. Financial empowerment and independence are crucial factors for women to attain their enduring financial objectives and ensure their financial welfare. This study's goal is to examine how financial literacy affects investing decisions, with an emphasis on female employees in particular. The aim is to offer significant perspectives and augment the current body of literature on this subject matter.

Literature Review:

Bashahir, T. et al. (2013) make an attempt to investigate the relationship between demographic characteristics and wage earners' stock-investing and gambling inclinations. A study Frequency tables and correlation coefficient are the tools used for data analysis in a study on bankers and finance professors in Gujarat and Sialkot, Pakistan. The study discovered that while young, educated people are more drawn to new risky investment options than are males, and it came to the conclusion that demographic factors have a substantial association with risk level, stock investing, and gambling. Gender, education, and income served as the study's independent



factors, and risk tolerance, stock investment, and gambling were employed as the study's dependent variables.

R. Sellappan. In their study titled Investment attitude of women towards different sources of securities - a factor analysis method, et al. (2013) attempted to understand the impact of marital status and age when picking securities as their investment channel. According to the study, married women are more interested in investing than single women are, and younger women were more interested in fixed deposits, insurance, mutual funds, and shares than older women. Women in their middle years tend to invest more in real estate.

Jain Rajeshwari. (2014) attempts to ascertain the connection between the pattern of income and investments. 250 women who worked in Ahmadabad's private and public sectors were the subject of the study. The study took into account fixed deposits with banks, mutual funds, equities, shares, insurance, gold, real estate, fixed deposits with firms, post offices, PPF, government programmes, and other things. For data analysis, percentages, means, and standard deviation were used. According to the study's findings, income level does have a significant impact on savings, and because they offer greater security, women tend to favour fixed deposits and gold as investment vehicles.

Methodology:

To obtain thorough information about the connection between financial literacy and investing choices, the study used a mixed-methods research approach. Two phases of the research were carried out: a survey and follow-up interviews.

Survey: A sample of female employees from a variety of businesses received a standardised questionnaire. Their degrees of financial knowledge, investment choices, risk tolerance, and demographic data were all assessed by the survey's questions. Financial literacy was evaluated on a Likert scale that ranged from "low" to "high."



Interviews: To learn more about survey respondents' investment decision-making processes, follow-up interviews were performed with a sample of them. The purpose of the interviews was to learn more about the participants' perspectives, experiences, and difficulties around financial literacy and investing decisions.

Analysis:

The survey data that was acquired for this study was examined using descriptive statistics and regression analysis. Age, education, and income were taken into account as control variables by the researchers during the regression analysis to focus on the effect of financial literacy on investment choices. The analysis's results showed a strong correlation between female employees' financial literacy and their investing preferences. Higher financial literacy score participants showed more assurance in their investment choices and had more diverse portfolios. Additionally, those who were more financially literate showed a stronger readiness to accept calculated investing risks, demonstrating that financial literacy has a beneficial effect on risk tolerance. Participant interviews were used to gather qualitative insights in addition to the quantitative analyses. These interviews provided insight into the variables affecting investors' selections. The significance of financial literacy and the absence of readily available resources especially created for women were frequently stressed by participants. Numerous participants cited a need for specialised financial literacy programmes that take into account their particular needs and offer helpful guidance.

The study's conclusions have substantial ramifications for businesses and employers. They emphasise how crucial financial literacy is in influencing female employees' investment decisions. Better financial results were discovered to result from informed investment choices, elevated levels of confidence, and financial literacy. Organisations should therefore give top priority to offering financial education programmes that are specifically geared towards women's needs. Employers should think about putting in place financial literacy programmes at work to give female employees the power to make wise investment decisions. These initiatives ought to



concentrate on offering specialised and easily available financial education, encompassing subjects like long-term financial planning, risk management, and the principles of investing. Organisations can improve their capacity to attain long-term financial stability by providing female employees with the required financial skills. The research's conclusions show the importance of developing financial literacy programmes especially for women. The specific difficulties that female investors experience, such as gender pay discrepancies, career breaks, and different life expectancies, must be acknowledged and addressed. Customised programmes can help close the gender gap in financial literacy and provide women with the resources they need to overcome these challenges. In order to offer thorough financial education resources, organisations should think about partnering with financial institutions and experts. The legitimacy and efficacy of the programmes can be increased by collaborating with prominent financial institutions. Additionally, incorporating financial professionals in the planning and delivery of the curriculum helps guarantee that it takes into account the particular requirements and worries of female employees.

Conclusion:

This study emphasises how crucial financial literacy is in affecting female workers' investment choices. The results emphasise the necessity for organisations to provide financial education initiatives that explicitly address the needs of women top priority. Employers may assist female employees in improving their financial literacy, making prudent investment decisions, and achieving long-term financial stability by acknowledging the benefits of financial literacy and adopting targeted interventions. To close the gender gap in financial literacy and give women more power in the world of investments, collaborations between financial institutions and specialists are essential, as is the provision of accessible and focused financial education.



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